Consumer Alert

Providing consumers with knowledge to make informed decisions

A Publication of the South Carolina Department of Consumer Affairs Brandolyn Thomas Pinkston, Administrator

SCDCA Welcomes the new Director of Consumer Services, Donna DeMichael!



DeMichael, a native of Peoria, Illinois, received her law degree from USC. She formerly was in private practice and worked for the SC Bar.

Know Your Rights: Debt Collection

While the word debtor dredges up negative connotations, its simple definition is a person who owes a creditor. Using this definition, most Americans are debtors, as we rely on a system supported by credit cards, personal loans, and mortgages.

The Fair Debt Collection Practices Act requires debt collectors to treat debtors fairly. It also prohibits certain methods of debt collection. However, it is important to note that the Fair Debt Collection Practices Act does not erase consumers' legitimate debt.

The act covers personal, family and household debts, including those incurred by the purchase of an automobile, for medical care, or for charge accounts.

Debt collectors may contact you in person, by mail, phone or fax, but not at inconvenient times such as before 8 a.m. or after 9 p.m. or at work if the collector knows a debtor's employer does not approve of such contacts.

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SCDCA Helping in the Community

"Totally a team effort" is how SCDCA employee, Dolores Hill, describes her experience chairing this year's United Way campaign; "I had help from everyone." She continued, "You have to have your heart in something like this, you have to be excited about the results yourself." The South Carolina Department of Consumer Affairs raised \$3510.00 for United Way.

In addition to its United Way campaign, SCDCA successfully participated in the Harvest Hope Holiday Food Drive. "It was exciting. It turned out to be great," SCDCA employee Linda Anderson said. "There are so many hungry people here in Columbia." Two barrels were filled with 245 pounds of food for the food drive.

SCDCA also collected donations for the Adopt-A-Child Project. Forty-one holiday gifts were collected for two deserving young children, one eleven-year-old girl and her eight-year-old brother. "It was an overwhelming experience, seeing the joy when the children received their gifts," Sharon Jones said. The gift-giving celebration was held the evening of December 10, at the Brookland Baptist Church in West Columbia.



(From left to right): SCDCA employees Sharon Jones and Linda Anderson help Harvest Hope employee, Reggie Carter, load the Harvest Hope Holiday Food Drive donations onto the truck.

About the South Carolina Department of Consumer Affairs:

Established by the Consumer Protection code in 1974, The South Carolina Department of Consumer Affairs represents the interests of South Carolina Consumers. Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement and education. For more information, visit www.state.sc.us/consumer.

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Money Wise: Consider Mortgages Carefully

When looking for a mortgage, shop wisely. It is imperative consumers evaluate their own financial standing in order to access the viability of obtaining a mortgage.

Today there is a proliferation of mortgage lenders. While many make fair offers according to consumers' ability to pay, others offer exorbitantly large offers that are disproportionate to consumers' incomes. While tempting, it is not wise for consumers to overburden themselves with a larger mortgage than they can afford.

Understanding Mortgages:

- Mortgages tend to have longer terms than other loans, causing the consumer to pay several times the amount of the loan in finance charges over the loan's life.
- If a consumer cannot pay their mortgage payment, they will be in jeopardy of losing their home.

How to Find the 'Right' Mortgage:

- Consumers should keep current on their present bills. Almost every mortgage lender will pay attention to a consumer's credit history. If there is a history of no-pay, slow-pay or written-off debts, credit may not be granted or granted at higher rates.
- Shop around. For home acquisition financing, consumers should find the best combination of interest rates and closing costs.
- Be careful of mortgage lenders advertising 125% plus financing. If you decide to commit to a mortgage, make sure you have a contingency plan for possible situational changes, including moving, or losing your job.
- Borrowers should have an emergency fund to pay expenses (including mortgage) for six to eight months, in case of a loss of income.

FREE CREDIT REPORTS!

A recent amendment to the federal Fair Credit Reporting Act requires each of the nationwide consumer reporting agencies to provide you with a free copy of your credit report, at your request, every 12 months. Consumers in South Carolina will be able to access their reports from Equifax, Experian, and Trans Union starting June 1, 2005.

To access your credit reports, call toll-free 877.322.8228, click on www.annualcreditreport.com, or complete the Annual Credit Report Request Form and mail it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

For more information contact the South Carolina Department of Consumer Affairs at (803) 734.4200 or (800) 922.1594 (toll free in South Carolina), or at www.state.sc.u/consumer.

Questions About a Business?

The South Carolina Department of Consumer Affairs' **Buyer Beware List** has answers. Check the list out at http://www.state.sc.us/consumer/material/buyer beware list.pdf in order to protect yourself as a consumer of products and services in South Carolina.

If you have questions about other businesses, or would like a copy of the list, contact the South Carolina Department of Consumer Affairs at 3600 Forest Drive, Suite 300, P.O. Box 5757, Columbia, SC 29250, online at www.state.sc.us/consumer, or call (803) 734.4200, or (800) 922.1594 (toll free in South Carolina).

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By writing a letter, debtors can stop debt collectors from contacting them; however, this will not erase the debt incurred. After a debt collector receives a letter, they may not contact the debtors again, except to say there will be no further notice, or to notify the debtor that a specific action will be taken.

If you have an attorney, the debt collector must contact the attorney, rather than you. If you do not have an attorney, a collector may contact other people, but only to find out where you live, what your phone number is, and where you work. In every matter, the debt collector may not harass, abuse or threaten a debtor, or any third party the debt collector contacts.

Debt collectors may not falsify information, or mislead debtors in any way. They may not make false statements, imply that they are attorneys or government representatives, or work for a credit bureau when they do not. Debt collectors may not falsely imply you have committed a crime, misrepresent the amount of debt you owe or use a false name to collect a debt.

For more information concerning fair debt collection, or if you believe a debt collector has violated the law, log onto the South Carolina Department of Consumer Affairs website at www.state.sc.us/consumer, or call the department at 803.734.4200 or (800) 922.1594 (toll-free in S.C.).

South Carolina Department of Consumer Affairs Commission

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